

361


C599c

Cleveland chamber of commerce

Cleveland federation for charity and  
philanthropy.



THE CLEVELAND FEDERATION FOR CHARITY AND PHILANTHROPY  
AS PROPOSED BY  
THE COMMITTEE ON BENEVOLENT ASSOCIATIONS OF  
THE CLEVELAND CHAMBER OF COMMERCE  
JANUARY SEVENTH, 1913



Digitized by the Internet Archive  
in 2016

<https://archive.org/details/clevelandfederat00clev>



361

C599c

28 May 13 10:00 AM  
To the Board of Directors,

The Cleveland Chamber of Commerce.

Gentlemen:

The rapid increase of population enjoyed by Cleveland has of itself made necessary a considerable increase of the city's benevolences. But these have undoubtedly increased even faster than the population, as a result of the broadening of our social interests and the quickening of our civic ideals—advances of which every citizen is conscious and which are making our growth something more than a mere addition of numbers. The resultant development of benevolent activities and institutions may well be a cause of real satisfaction to all; nevertheless it brings with it problems that should receive serious and universal consideration.

*Increasing number of charitable institutions*

In May, 1900, it was found that fifty-one institutions had been created to express in one form or another the good will of Cleveland. In order to be of service to the organizations deserving public support, the Chamber created the committee on benevolent associations. Its duties as outlined were "to protect the giving public against solicitations for unworthy purposes and thus to assist worthy and efficient institutions, whose income had become adversely affected by the existence of much fraudulent solicitation." As a means to this end it was suggested that the committee investigate carefully all charitable organizations in the city and issue a card of endorsement to such as complied with a certain standard of excellence. As a condition of endorsement the committee has been able to require, in most cases, such re-organization and improvement of methods as has resulted in an adequate meeting of the needs for which the organization was intended, economy of expenditures and intelligent, business-like operation.

*Creation of committee on benevolent associations to protect contributors*

*Endorsement card issued to worthy institution*

In order to carry out its policy, the committee has stipulated, as far as is practicable, that organizations comply with the following requirements:

*Requirements for endorsement*

1. The organization shall fill a need not already well filled by an existing organization, and not capable of being thus filled.
2. The need shall be relatively great enough to warrant the equipment and support of a separate organization.

direct



3. The organization shall agree to co-operate with other benevolent associations in promoting efficiency, and economy of administration in the charities of the city as a whole, and in preventing duplication of effort.

4. The administrative committee of the organization shall meet at least quarterly.

5. All funds shall be collected according to a method approved by the committee on benevolent associations.

6. The accounts of the organization shall be regularly audited and a copy of its annual report shall be filed with the committee on benevolent associations.

7. The operations of the organization and its accounts shall always be open to the investigation of accredited representatives of the committee on benevolent associations.

Before endorsement was granted, the committee usually arranged for a personal investigation to discover in detail the character of work done by the various charitable organizations of the city and a written statement giving, in detail, the essential facts regarding the organization was required. A card of endorsement was granted to such as complied with the committee's standards. Members of the Chamber and the contributing public in general were requested to contribute only to those bearing the card of endorsement. At first contributors were inclined to rely upon their own judgment, pursuing the policy of previous years, and not realizing that a careful investigation, backed by trained judgment and adequate conceptions, was necessary to determine the need for an organization and its fitness to do charitable work. The committee found it necessary therefore to inaugurate a campaign of education along these lines. When it was found that a contributor had given to an unendorsed institution the contributor was called by telephone, the reason for the committee's refusal to endorse was carefully explained, and an effort was made to impress upon him the justice of this action and the mutual advantage which would obtain through his co-operation with the committee. The Chamber by means of circulars notified its members of hopelessly unworthy institutions which were receiving the support of the public. The newspapers gave their cordial co-operation. Many organizations were prevailed upon,



in making their solicitations, to present a card of endorsement, whether the contributor asked it or not, thus bringing to the attention of the public, the existence of the system. After years of education and development the community has come to recognize the value of this committee's work and to rely almost universally on the committee's action. Strong institutions now consider the card of vital importance in collecting funds. Smaller institutions say that the committee's endorsement is essential to their support and that existence would be impossible without it.

As a condition of endorsement of the various organizations each succeeding year, the committee requires evidence that the standard of efficiency is gradually improving. In addition to this, the committee plans to select perhaps half a dozen organizations for special attention. Their methods are carefully studied, conferences are held with boards of management, and, if necessary, fundamental changes are insisted upon to bring about the very highest standard of efficiency.

*Increasing  
efficiency  
required*

The committee has endeavored not only to eliminate worthless institutions and prevent the creation of new organizations which do a work similar to one already in existence, but the committee has been directly instrumental in the inauguration of movements to meet needs not already provided for by the development of existing, or the creation of new, organizations.

*Committee's  
constructive  
policy*

Twelve years of such intelligent co-operation has resulted in the combination of organizations where duplication of work existed; the reorganization of other institutions or the entire elimination of some whose work was useless, while more economic methods of collecting contributions from the public, by reducing the number of paid solicitors, benefits, fairs, socials and entertainments which are at best very expensive methods of raising funds for charitable support, have been established.

*Committee's  
supervisory  
capacity*

This decade of careful supervision, although producing exceptional benefits to worthy organizations, has not solved certain problems with which the charitable work of the city is confronted. First—some of the most reliable charitable organizations in the city have experienced great difficulty in raising money sufficient to carry on an aggressive and thoroughly efficient work, while other societies doing a less important work have been

*Financial  
problems  
presented*

*Increased  
burden upon  
certain  
contributors*

laying up a surplus of receipts over expenditures from year to year, and some institutions have collected from the public money which has been expended in maintaining an inefficient or needless work. Second—the demands upon a certain class of contributors have continually increased until those known to be charitably inclined have come to be unduly burdened by the present solicitations of the representatives of various charitable organizations. One who has given largely to charity reports having spent an entire forenoon listening to solicitors from ten different institutions. Three more called but it was impossible for him to see them, having already spent so great a portion of his time on matters which did not concern his business. He later learned that these three individuals represented the three institutions in which he was most interested.

*Charitable  
budgets  
canvassed in  
1907*

Desiring to assist the charitable institutions and the contributing public in the solution of these problems, the committee on benevolent associations during the summer of 1907 made a thorough investigation of the budgets of sixty-one charitable institutions. This study covered such particulars as total budgets, the cost of collection, the amount of invested funds, sources of income, and the number of contributors, a list being made of those who contributed in amounts of five dollars or more. The investigation covered the work of the fifty-eight charitable institutions endorsed by the committee on benevolent associations of this Chamber, and three which were not endorsed but which were receiving considerable support from the community. It was found that the total income for the work of these organizations was \$994,491.00, of which \$39,596.00 was given directly by the public in anonymous gifts and in sums of less than five dollars, \$442,811.00 by 5,733 people in amounts of five dollars and over, and the remainder or \$512,084.00 was derived from endowment, legacies, beneficiaries, etc.

*Few contribu-  
tors to Cleve-  
land charity*

It is to be noted that 2,153 contributors gave only 2.46% of the money, and this in subscriptions of ten dollars or less, while *thirteen people*, or but two-tenths of one per cent of the total number of contributors, gave over *one-third of all money contributed to charity*. Seventy-four people gave more than one-half of the money contributed, and 411 people gave three-fourths of the total.

*Limited inter-  
est of contrib-  
utors.*

The results of the canvass of 1907 revealed the fact that the contributing public is not interested in and educated to the broad demands of charity. 72% of the whole number of individuals contributing to charity gave to but one institution, while those contributing to three or less amount to 90%, leaving only one-tenth who contributed to more than three organizations. Only twelve contributed to twenty or more, and there was only one who contributed to more than thirty.

*Summary  
of 1907  
canvass*

The facts in regard to the number of contributors to charity presented in the report were startling, even to those who had made a special study of charitable work in Cleveland. The question was immediately raised as to whether the methods employed in securing contributions from the public were not at fault in not distributing the burden of benevolent work more evenly by increasing the number of contributors. The fact that only 5,733 people in a city of over a half-million of individuals, contribute to charity, stands as a discreditable reflection, either upon the directors of charitable interests, or upon the methods employed in securing the public's support. The committee on benevolent associations tentatively suggested the federated plan of collecting and distributing all moneys for charitable purposes as a remedy for this and other conditions which appeared to hinder the largest development of philanthropic work in Cleveland. The printed report covering the results of the first census was mailed to 374 contributors to charity. These were chosen because they represented that class of people who were intelligently endeavoring to enlighten themselves as to the best methods of using their money to further philanthropic work, and because as shown by the statistics, they were giving 70% of the amount contributed to charity.

*Present inadequate methods  
of raising  
money*

A blank upon which were the following questions was included with each report:

*Large contributors favor  
Federation  
plan*

- (1) Does the proposed federated collection of funds for charitable purposes meet with your general approval?
- (2) In the event that a federation is effected on substantially the plan outlined in the report, will you support such a federation to the extent that you now contribute to separate organizations? (It is understood,

of course, that contributors may designate the organizations to which they desire to contribute.)

136 answers were received from these persons.

119 contributors gave unqualified approvals of the plan.

4 contributors gave qualified approvals.

8 contributors gave qualified approvals subject to certain objections.

2 contributors gave qualified approvals subject to further investigation.

3 contributors gave an unqualified disapproval.

*Necessary  
delay in  
institution of  
federation*

Backed by such enthusiastic endorsement the committee was considering a campaign to educate the contributing public to the merits of the federated plan and if it then appeared feasible, to secure its immediate adoption. But before this publicity campaign could be started, the depression of industrial and financial conditions made it seem impracticable to commence the undertaking. It was determined that the advent of such an organization should be left to the time when the relative financial needs and resources should be not only stable, but should also be as nearly equal as possible. Therefore the matter was dropped for a time.

*Charitable  
budgets  
canvassed in  
1910*

In December of 1909, the matter was again taken under consideration, but two years had lapsed since the first canvass. The increasing demands of charity and the changed conditions among both contributors and institutions made the results of the first canvass of comparatively little value.

It was thought advisable also to secure new figures which might be used in comparison with the original canvass, and in this way to indicate the general trend of charitable work. No less important was the desire upon the part of the committee to make doubly certain that the canvass of the previous year had not been exceptional. Accordingly the committee determined upon a second canvass.

*Co-operation  
of  
organizations*

The letter sent to the various organizations asked for information of a very wide range and very great detail. The co-operation manifested by the organizations in compiling the material desired showed their desire for a change in the manner of raising money for charitable purposes. They have shown



themselves willing to co-operate in every possible manner to find a solution for reducing the time and eliminating the excessive cost of collecting funds for charitable purposes.

In the original canvass, facts covering the budgets of sixty-one institutions were secured, while in the present census seventy-three institutions were covered. One which was included in the previous canvass was dropped because the nature of its work placed it without the jurisdiction of the committee on benevolent associations. Three organizations did not report, two organizations had suspended work and did not handle any money during the year of 1909. The Salvation Army was included as three organizations because these branches are separately endorsed by the committee on benevolent associations. The Jewish Federation was counted as one organization although in reality it represented eleven separate institutions. Two of the above institutions had not been endorsed by the Chamber of Commerce.

It was found that the total income for the work of these organizations was \$1,893,010.33. This income was divided into seven classes.

First: Direct contributions solicited from the public. This source of income was sub-divided into general solicited contributions, anonymous donations, moneys received from so-called contributing memberships, and special contributions for building, equipment, or other such funds. Contributions of \$5 or over were recorded under the name of the contributor, contributions of less than \$5 were not taken separately, but were recorded in a lump sum.

*Sources of  
income*

Second: Income from those paying for a portion of the benefit derived, that is, the earning capacity of some organizations.

Third: Income from invested funds.

Fourth: Proceeds from fairs, benefits, socials, etc.

Fifth: Gifts in the form of legacies or bequests.

Sixth: Money derived from sources outside of the city.

Seventh: Miscellaneous sources of income.



It will be noted that six people, or one-tenth of one per-cent gave 42.12% of all the money thus given to charity. 253 people, or 4.68% of the number of people contributing to charity gave 72.6 of the total amount contributed. 1849 people, or 34.33% of the number of people contributing to charity gave only 1.91% of all that was given to charity, and this was given in sums of \$10 or less. A study of the breadth of charitable interest on the part of those contributing is no less interesting and instructive.

Contributions to charitable institutions in Cleveland in amounts of from \$5.00 to \$10.00.

1639 individuals contribute to 1 institution.

210 corporations " " 1 "

In amounts of from \$10.00 to \$25.00.

927 individuals contribute to 1 institution.

374 " " " 2 institutions.

126 " " " 3 "

25 " " " 4 "

120 corporations " " 1 institution.

79 " " " 2 institutions.

20 " " " 2 "

2 " " " 4 "

In amounts of from \$25.00 to \$100.00.

456 individuals contribute to 1 institution.

131 " " " 2 institutions.

124 " " " 3 "

119 " " " 4 "

98 " " " 5 "

46 " " " 6 "

29 " " " 7 "

15 " " " 8 "

8 " " " 9 "

3 " " " 10 "

1 " " " 11 "

2 " " " 12 "

64 corporations " " 1 institution.

46 " " " 2 institutions.

36 " " " 3 "

20 " " " 4 "

22 " " " 5 "

11 " " " 6 "

14 " " " 7 "

6 " " " 8 "

1 " " " 9 "



1	"	"	"	10	"
1	"	"	"	11	"
1	"	"	"	12	"
1	"	"	"	17	"

In amounts of from \$100.00 to \$500.00.

97	individuals	contribute	to	1	institution.
50	"	"	"	2	institutions.
46	"	"	"	3	"
32	"	"	"	4	"
28	"	"	"	5	"
29	"	"	"	6	"
22	"	"	"	7	"
22	"	"	"	8	"
16	"	"	"	9	"
10	"	"	"	10	"
15	"	"	"	11	"
10	"	"	"	12	"
1	"	"	"	13	"
3	"	"	"	14	"
3	"	"	"	16	"
1	"	"	"	17	"
1	"	"	"	20	"
17	corporations	"	"	1	institution.
9	"	"	"	2	institutions.
10	"	"	"	3	"
8	"	"	"	4	"
1	"	"	"	5	"
4	"	"	"	6	"
8	"	"	"	7	"
3	"	"	"	8	"
4	"	"	"	9	"
7	"	"	"	10	"
8	"	"	"	11	"
7	"	"	"	12	"
3	"	"	"	13	"
3	"	"	"	14	"
2	"	"	"	15	"
6	"	"	"	16	"
1	"	"	"	17	"
1	"	"	"	18	"
2	"	"	"	19	"
1	"	"	"	20	"
2	"	"	"	22	"
1	"	"	"	23	"
1	"	"	"	32	"

In amounts of from \$500.00 to \$1,000.00.

3	individuals	contribute	to	1	institution.
2	"	"	"	2	institutions.
7	"	"	"	3	"
4	"	"	"	5	"
2	"	"	"	6	"
4	"	"	"	7	"
2	"	"	"	8	"
5	"	"	"	9	"
1	"	"	"	10	"
3	"	"	"	11	"
1	"	"	"	12	"
3	"	"	"	13	"
2	"	"	"	14	"
3	"	"	"	15	"
1	"	"	"	17	"
1	"	"	"	2	"
1	"	"	"	3	"
2	corporations	"	"	1	"
1	"	"	"	5	"
1	"	"	"	8	"
1	"	"	"	9	"
1	"	"	"	11	"
1	"	"	"	12	"
1	"	"	"	15	"
1	"	"	"	18	"
1	"	"	"	19	"
1	"	"	"	25	"
1	"	"	"	29	"

In amounts of from \$1,000.00 to \$5,000.00.

5	individuals	contribute	to	1	institution.
2	"	"	"	2	institutions
2	"	"	"	4	"
2	"	"	"	5	"
5	"	"	"	6	"
2	"	"	"	8	"
2	"	"	"	10	"
1	"	"	"	11	"
2	"	"	"	12	"
2	"	"	"	13	"
4	"	"	"	15	"
2	"	"	"	16	"
2	"	"	"	17	"
3	"	"	"	18	"

1	"	"	"	20	"
1	"	"	"	22	"
1	"	"	"	25	"
1	"	"	"	27	"

In amounts of from \$1,000.00 to \$5,000.00.

2	corporations contribute to	1	institution.
1	"	"	2 institutions.
1	"	"	5 "
1	"	"	7 "
1	"	"	16 "
1	"	"	17 "
1	"	"	22 "

In amounts of \$5,000.00 or over.

1	individual contributes to	6	institutions.
7	"	"	7 "
1	"	"	14 "
1	"	"	31 "
1	"	"	34 "
1	corporation	"	1 "

The following page gives the summary and ratio.

# Summary and Ratio

3540	subscriptions	(individuals and	415	corporations)	or 65.9 %	contribute to	1 institution
695	"	"	"	"	12.9 %	"	2 institutions
372	"	"	136	"	6.9 %	"	3 "
208	"	"	67	"	3.8 %	"	4 "
157	"	"	30	"	2.9 %	"	5 "
98	"	"	25	"	1.8 %	"	6 "
79	"	"	15	"	1.5 %	"	7 "
51	"	"	23	"	.9 %	"	8 "
35	"	"	10	"	.7 %	"	9 "
24	"	"	6	"	.44 %	"	10 "
30	"	"	8	"	.55 %	"	11 "
24	"	"	10	"	.44 %	"	12 "
9	"	"	9	"	.17 %	"	13 "
9	"	"	3	"	.17 %	"	14 "
10	"	"	3	"	.18 %	"	15 "
12	"	"	3	"	.22 %	"	16 "
7	"	"	3	"	.13 %	"	18 "
8	"	"	7	"	.14 %	"	19 "
3	"	"	5	"	.05 %	"	20 "
3	"	"	"	"	.05 %	"	22 "
3	"	"	"	"	.07 %	"	23 "
4	"	"	1 corporation)	"	.01 %	"	25 "
1	"	"	3 corporations)	"	.03 %	"	27 "
2	"	"	1 corporation)	"	.01 %	"	29 "
1	"	"	"	"	.01 %	"	31 "
1	"	"	"	"	.01 %	"	32 "
1	"	"	"	"	.01 %	"	33 "
1	"	"	"	"	.01 %	"	34 "

It will be noted that only 33 people contributed to more than 16 institutions. 3,540 or 65.7% of the people contributed to but one institution. Of this number 1,559 contributed to the Jewish Federation alone.

*Narrow  
range of  
gifts*

Second: The second source of income or the amount received from beneficiaries of institutions, amounts to \$535,678.59, or 36.2% of the total income, and is received by 56 of the 67 institutions.

Third: There are at present \$2,911,106.56 in invested funds from which 28 institutions receive an annual revenue of \$166,-152.99.\*

Fourth: \$32,514.13 were received by 28 institutions from fairs, socials, etc., during the year's canvass.

Fifth: The total amount received in legacies was \$434,-582.11 by 20 institutions. In only five cases is the amount received in this way added to permanent funds. These cases, however, included a large proportion of the total amount of legacies received. The sum of \$24,769.25 was used during the year in meeting annual budgets. Certain organizations are thus consuming for current expenses, funds which are usually designed for permanent reserve or endowment. The amount received from this general source, was to the extent of about \$400,-000.00, larger than usual, owing to the death and consequent bequests of one of our largest givers.

Sixth: 29 institutions report an income of \$16,049.33 from sources outside the city.

Seventh: There are many minor sources of income which cannot be specifically indicated because they are so varied in nature, but when added together they comprise the total of \$107,478.34. A careful study of these items show that \$29,800 must be secured from solicited contributions if the total charitable budget is to include the present million and a half.

These results may be briefly and approximately stated as follows: The total charitable budget, (excepting the unusual legacies of this year) is \$1,500,000.00; one-third of this sum, or \$535,000 is annually derived from beneficiaries. About \$185,-000.00 can be counted upon from endowment and \$30,000.00

*Tabular  
results  
summarized*

\* The figures here given thruout are those obtained in the survey of 1909.

from legacies. Probably \$15,000 will be the annual return from out-of-town donations. \$70,000.00 would be the approximate amount of miscellaneous sources of income which would include items of petty cash, etc., leaving \$665,000 to be raised annually by a federated board, by means of contributions received directly from the public. Taking the results of the present canvass as a standard, this item would probably be secured as follows: \$15,000 from anonymous donations, \$25,000 from donations received in sums of less than \$5, \$9,000 from contributing memberships. \$200,000 from regular contributors to be used in adding the new equipment which is required each year by the different charities and \$416,000 would be the approximate amount to be realized from the item of regular donations contributed in amounts of \$5 and over as it is now divided. This division would eliminate all expensive methods of securing contributions to support charity, such as holding fairs, benefit entertainments, hiring paid solicitors, sending out letters which do not make adequate returns for the amount of expense involved, and the salaries of representatives employed to raise such funds. A comparison of the two canvasses proves interesting. The budgets of the institutions, including new organizations, have increased from \$993,343.00 to \$1,483,197.47. An increase of \$58,786.88 can be attributed to the budgets of seven organizations new to this canvass. Forty-six institutions have made an increase in their budgets which amounts to \$593,480.14. Three institutions whose reports it was impossible to secure, represent a decrease of \$89,713.00 and sixteen institutions decreased their budgets to the extent of \$72,699.55.

The endowment funds increased from \$2,210,065.00 to \$2,911,016.56. The income from legacies has increased from \$24,464.00 to \$434,582.11 but as we have noted, this is an exceptional increase. Of this latter sum \$409,812.86 was added to permanent endowment funds and is not therefore included in the yearly budgets of the institutions, but will appear as permanent funds in all future reports. This will give a permanent endowment of \$3,320,829.42. The present canvass has shown that during the year of 1909, the amount of \$206,891.59 was expended in erecting new buildings, adding equipment, or making

*Increase of  
endowment  
and legacies*

*Increased  
earning  
capacity of  
institutions*

other additions of a permanent nature to the working capital of the institutions. The income from beneficiaries, or the earning capacity of the institutions, has shown a very gratifying increase. In 1907, the amount of \$397,589.00 was received from this source; in 1909 there was received from this source, \$535,678.59.

*Decrease of  
income from  
benefits etc.*

The vigorous measures of this committee against the raising of funds by means of fairs, beneficial entertainments, socials, etc., has resulted in the reduction of that item of income during the two and one-half years intervening between the two canvasses from \$38,895.00 to \$32,514.13. There has also been a marked decrease in the amount of money contributed to charity in sums of less than \$5. The difference between \$33,719.00 and \$26,338.22, or \$7,380.78 appears as the reduction. The income from out-of-town contributions has increased \$7,358.33, the difference between \$8,691.00 and \$16,049.33.

*Miscellaneous  
income*

The annual income under the head of "sources of income not otherwise indicated" is \$107,478.34 and is received principally from cash balances left over from previous years and other sources such as interest on checking accounts, sale of old equipment, rents from property owned by the institutions, and miscellaneous petty cash. An accurate analysis of this item reveals the fact that scarcely more than \$77,678.34 could be definitely depended upon as a regular income from this head. It would therefore be necessary to raise \$29,800.00 in general subscriptions instead of from this source.

*Indebtedness*

The present total building indebtedness and similar incumbrances amount to \$895,567.59, and are a very small obligation as compared with the value of property now held by the seventy charities. This debt could be carried for years at a small rate of interest and without extra inconvenience even taking into consideration the annual depreciation of equipment.

*Annual deficit*

The total deficits in the yearly budgets amounted to \$51,740.92. This deficit is not large in any particular case and is very evenly divided among nineteen institutions to four of which can be attributed over one-half of the deficit. Deducting the surplus found to be on hand January 1st, 1910, which was accumulated by forty-two institutions and amounted to \$43,-



597.49, we find that the total deficit for charitable work in Cleveland during the year of 1909 was only \$8,143.43, a very gratifying result when the tremendous increase in budgets is considered. The fact that there was a small deficit does not indicate that the institutions have solved their financial problem. On the contrary, increased cost of collecting funds, the decreasing of the amount of the budgets by nineteen institutions, the suspension of work, because of lack of funds by one institution and the marked increase of permanent indebtedness by other organizations in this, a time when money is easily to be secured, indicates that there are serious problems still to be solved.

Twentyone institutions report a total cost of collecting funds for their institutions of \$20,816.91. Other institutions do not report on this item, giving as a reason the impossibility of correctly ascertaining the correct cost to the institution, in view of the fact that in many instances the workers of the particular institutions are called away to raise money when their services are most needed to direct the work of the institution, but conditions seem to indicate that the committee's former estimate of \$65,000 or \$70,000 as the cost of collection, is not excessive.

*Excessive cost  
of collection*

The previous canvass showed that \$420,454.00 was contributed in sums of \$5 and over. During the last calendar year the sum of \$499,639.51 was contributed in sums of \$5 and over, for which there are on file at present cards showing the names of the people giving this sum. This shows an increase of \$79,185.51 in the amounts included and accountable for in the card files. To the above must be added the increased amounts received from purely beneficial memberships, anonymous contributions and donations in amounts of less than \$5 for which no names were filed, amounting to \$11,969.73. This makes a total increase of \$91,155.24 of donations from the public during the two and one-half years period intervening between the two years canvass.

*Increased  
public  
contributions*

Along with the large increase in the budgets, one is surprised to find that there has not been a corresponding increase in the number of contributors, but rather a decrease from 5,733 to 5,386, or 6% of the present number of contributors. The Jewish Federation, on the other hand, has increased by

*Decreased  
number of  
contributors*

308. It is not fair to allow the Jewish Federation increase to be figured in the total number of contributors, since they are at present working upon the plan which this committee expects in the future either to follow or institute in a modified form. Therefore, subtracting this increase, we find that the total number of contributors to charity has decreased by 11% during the given period, while the budgets of the institutions have increased by approximately 50%. It is also interesting to note that the decrease by deaths may be estimated from the fact that at present seventeen names appear in the card files of people who died during the calendar year, after having already made their annual contribution to charitable work. In this very moderate death rate there lies a possible danger. If three of the largest contributors should die during any one year without making adequate provision for the various charities to which they now contribute, or if their property should be made unavailable for public purposes during the administration of the estate, which is not an infrequent occurrence, it is estimated that 17% of the charities of the city would be practically bankrupt.

*Objectionable  
features of  
present system*

The most serious aspect of the present situation is not the fact that budgets have increased, nor that the number of contributors has decreased, but rather that there has been such great disparity in development among existing institutions having equally important needs to meet, and all doing an efficient and necessary work.

It is apparent that unless some equitable force is brought into play properly to distribute charitable funds, it will be only a question of time when many institutions doing reliable and efficient work will be in a state of bankruptcy, while others will be laying up a surplus and enlarging their work along lines not warranted, when contrasted with other situations of extreme need.

*Increasing  
inadequacy of  
present  
methods*

The majority of institutions are complaining that it is practically impossible to raise sufficient money at the present time to support their work. The returns from letters and circulars in which appeals are made are meagre, when compared with similar returns of a year or two ago. One institution in 1907 sent out 330 letters requesting \$10 subscriptions. These letters

netted an average return of \$1 apiece. In 1909, two hundred people were chosen from this list and similar letters requesting ten dollars each were sent to them. The average return from these letters was twenty-five cents each. Another institution sent out letters in 1907 which netted an average return of about one dollar, while in 1909, letters addressed to the same people netted an average of thirty cents.

It has been found that in practically all cases, the cost of solicitation is materially increasing, almost the only exceptions being found in those institutions whose experienced officers have particularly developed the financial side of their work, sometimes to the detriment of the charitable work for which they were designed.

Three possible means of raising money for the support of Cleveland's charities now present themselves, and between these the directors of charitable work must choose. First: The present method of appealing to a small circle of contributors to charity by letter, by direct solicitation, or through paid solicitor may be continued; but this means inequality of work, continued curtailment of resources, and an increasing and unnecessary burden upon contributors. Second: It would be possible for many charities to combine and employ expert financiers to raise money for them, pooling their expenditures and receipts. This involves a plan very similar to the federation plan, but lacking in the essential elements of having one central body capable of demanding a recognition of the rights of all as opposed to the desires of the few institutions. This possible method of raising funds for charity, therefore, but leads to the third plan; namely, a central organization, composed of representatives from the contributors and institutions, which will collect money necessary for the support of charitable work and divide the amount raised in accordance with the wishes of the donors or pro rata according to the needs of the various organizations.

Your committee recognizes that the institution of a federation for the collection of money for the support of Cleveland charities offers many problems; but our investigation has convinced us that the solution of these problems is not impossible. The argument against the plan which is most frequently pre-

*Possible  
solutions*

*Federation  
plan most  
feasible*

*Problems  
presented*

sented and which, if it is sustained, is the most serious objection to the plan, is to the effect that the federation would eliminate the element of personal interest on the part of the giver in the charitable work to which he contributes. That is—it is contended that with a federation, contributions to charity would be simply mechanical. The contributor would not give because of his interest in the work, but would give simply as a result of his financial arrangement with the federation. As a matter of fact, one of the prime objects which your committee has in mind, in recommending the adoption of the plan of federation, lies in the opportunity which the federation will give for developing that element of personal interest in charitable work of Cleveland. The degree to which the element of personal interest at present exists is, your committee believes, largely overestimated. Ten years careful study and intimate association with the giving public and the benevolent work of Cleveland, has convinced the committee that the very large majority of contributors give, not to organizations in which they have a keen intelligent interest, but to organizations whose representatives are able to present the most convincing account of the need of the organization. It is true that some of the largest contributors give at present only after intimate knowledge of the work of various organizations, and with the most careful discrimination. The federation plan would in no way interfere with their present plan of giving, but would simply facilitate the investigations made by these men and would distribute their contributions as they might designate. A large part of the work of the director of the federation and his assistants will be to develop a systematic scheme of education by which the average giver of the community will be brought into intimate touch with charitable work, and each giver made to feel the individual claim of the institution or institutions, the character of whose work would naturally appeal to him most.

The same claim of the elimination of personal element was generally made at the beginning of the work of the committee on benevolent associations. It was charged that the presentation of an endorsement card by any organization would take the place of the personal investigation by the giver, which would

*Elimination  
of personal  
element?*

*Personal  
interest  
increased*



be necessary, were there no endorsement card upon which he could rely. As a matter of fact, the endorsement card has served simply as an opening for constructive educational work, with the result that during the past ten years, there has been a remarkable increase in personal interest and understanding of Cleveland charitable work, and a consequent increase in intelligent giving. It is recognized by charitable experts throughout the country, that the support of Cleveland philanthropies is probably of a more intelligent character than that of any other city in the country, and the constructive educational work of the committee on benevolent associations must receive the credit. The plan of federation will give unequalled opportunity for a further vigorous prosecution of this campaign of education, and your committee believes will result in more intelligent and more earnest interest, and in consequently increased giving.

Again, it is suggested that under a federated board, not only the introduction and establishment of work along new lines would be discouraged, but that the enlargement of existing organizations or an increase in their facilities, which would mean greater budgets, would be unlikely. Sufficient evidence that this fear is groundless may be found in the history of the committee on benevolent associations. It is true that under some circumstances, the inauguration of new work has been discouraged, but in each instance it has been conclusively shown that the new work either was not needed or that it could well be undertaken by existing organizations. On the other hand, the committee has in a large number of instances encouraged and aided the establishment of new lines of effort, and has assisted in developing and encouraging existing institutions. It is probable that during the last ten years, more new work has been inaugurated under the supervision of the committee on benevolent associations than during any previous decade. With the addition of several new institutions during recent years, no one fully acquainted with the situation, can fail to realize that the charitable needs of the city have never been as completely cared for as they are today. Furthermore, the committee's investigation has shown that some institutions could, with proper guidance and the addition of new equipment, be made

*Inauguration  
of new work  
unlikely?*

*Federation  
will encourage  
development*

practically self-sustaining. It cannot be doubted that under a federation administered by a group of business and professional men of sound judgment, the effort to place an institution upon a self-sustaining basis by means of a temporarily increased budget, would be encouraged and assisted.

*Reduction in  
the amount of  
contributions?*

There is, of course, the vital question as to whether the federation will be able to obtain as large an amount of money as is at present secured by the benevolent associations of the city. This question can be conclusively determined only by a careful test of the federated plan. It is, however, true that in no instance has the plan of federation as adopted by the Jewish charities of various cities failed to raise at least the amount of money which was formerly secured by individual solicitation; in practically every instance the total amount of subscriptions has been largely increased, and in many instances doubled. It has been found that most givers, since they are so constantly solicited and give so many times in small quantities, estimate their gifts to be largely in excess of the actual amount, and furthermore, that many large as well as small contributors are willing to increase their gifts when the contribution is made through a central body, not as a result of constant, annoying and non-constructive solicitation, but through the presentation of the charitable work of the city in a constructive and educational manner. Further, if the board of the federation should so decide, in the beginning the federated collection can be confined only to those who agree to give an amount equal to their former gifts, allowing the charitable organizations to continue their general solicitation from non-members of the federation, according to the former manner. It must be remembered that the combination of the givers of the city under a federation will bring to light many who are not now contributing, and that the federation, as well as individual organizations, will be able to direct its effort towards securing contributions from these present non-givers. It will be perfectly feasible to permit the organizations of the city to collect from any individuals who are not members of the federation, so that the present solicitation which is now directed towards large givers, can be turned toward non-givers with the result that many new contributors

*Increased  
contributions  
probable*

*Distribution  
of burden*

are likely to be interested. Every charitable work which has increased its income in any marked degree has done so through a process of careful education. Your committee believes that the same process applied by the federation to the whole problem of charity in Cleveland, will produce similar results. The adoption of the federated plan would result, not only in more economical methods of securing money, which would save most of the present collection cost of sixty or seventy thousand dollars, but it would save a tremendous amount of time which is now expended by trustees, directors, committee, and paid officials in developing plans for financing the organizations or in actually raising money, and would thus leave this time free to be used for the constructive work of the institution. Furthermore, the supervision developed by the federation would doubtless result in more careful and economical management on the part of many institutions, with a corresponding reduction in cost of maintenance.

The objection has been made that a federated plan would operate upon charitable work in much the same manner as an excessive endowment fund does,—that is, the officers of institutions, when relieved of the necessity of raising funds would cease to be aggressive, and would not attempt the development of their work to meet new needs in order that the work of their institutions may continue to appeal to the contributing public. Is it not true, however, that this responsibility for constantly increasing the efficiency of the charitable work of the city would not in any degree be removed, but that it would rather be stimulated under the supervision of the federated board which is in a position intelligently to require effective work as a condition of support? Further, would not the added responsibility of the federated board for the development of all of the charity of Cleveland, together with its intimate knowledge of the affairs of all institutions, and its intimate relation with the supporters of all institutions, result in an added stimulus to earnest endeavor?

It has been suggested that the centralization of the management of the city's charity would result eventually in placing in the hands of a few individuals, an undue degree of control

*Organization  
relieved from  
responsibility?*

*Increased  
supervision  
will secure  
increased  
responsibility*

*Danger of  
arbitrary  
supervision?*



with disastrous results to charitable work. The plan of the committee, however, contemplates a board which will represent both contributors and institutions, so organized as to make such control as this almost impossible. This board, it should be noted, will be no less dependent than are the separate institutions today upon the retention of the good will of the philanthropic public. It should furthermore be remembered that, although the committee on benevolent associations for ten years has exercised a controlling supervision over the charity of Cleveland, the charge of undue influence or dictatorial management has never been made.

It should not be forgotten that the various charitable institutions and agencies are, after all, simply doing different parts of the same great work of amelioration. The appreciation of this community of purpose has led the Presbyterian and Congregational denominations to adopt the "apportionment plan" of giving, a plan very similar to the one here proposed. This plan arranges one co-operative financial canvass for all, allowing each of the national societies of the denominations to further its particular work in its own way, except where it conflicts with the others, namely, in the appeal for funds.

The committee on benevolent associations believes that a solution of these problems is altogether feasible and that the advantages to be secured through a plan of federation render its adoption advisable. Summarizing briefly, the committee believes that the federation will insure great economy in the collection of funds. The conservative estimate of \$60,000 or \$70,000 as a present cost of collection will be reduced to perhaps \$15,000. The large amount of time which is given by contributors in the consideration of various appeals which are presented by many solicitors, will be eliminated and a constructive and intelligent presentation of the whole charitable situation of Cleveland will be substituted. The time of boards of directors and paid employees now consumed in developing financial plans or in soliciting money will be conserved for active service to organizations.

The federation will secure increased efficiency in the charitable work of Cleveland. The supervision of the federated

*Experience  
proves  
arbitrary  
supervision  
unlikely*

*Advantages  
of federation  
summarized*

*The  
elimination  
of useless  
solicitation*

*Constructive  
program  
substituted*

*Conservation  
of energy*

*Increase of  
efficiency*

board will insure more careful administration of the work of individual institutions, and the broad knowledge of the needs of the field which this board will have, will make it possible to eliminate inefficient organizations and to inaugurate work to meet new needs not already cared for.

*More effective  
administration*

The federation planned will by means of a constructive and educational program, develop the relationship between contributor and organization and will increase the element of personal interest on the part of the contributor. It will through its facilities for investigation and presentation, render easier of general attainment the intimate knowledge of charitable work which is already possessed by some of the largest contributors in Cleveland. Judging from the astonishing decrease in the number of givers as shown on page 20, this broadening of the city's philanthropic interest is one of its most serious and urgent needs.

*Increased  
personal  
interest  
More intimate  
knowledge of  
charitable work*

The plan of federation will, the committee believes, increase eventually, at least, the amount of money contributed to Cleveland charities. Many large contributors have agreed to increase their contributions under the federated plan; many other contributors will desire to increase their contributions when the needs of all charitable organizations in Cleveland and their relation to one another are presented; and many Cleveland citizens who are not now contributors will make contributions when these needs are put before them in a constructive manner. The federation will plan to conduct a campaign among those who are not now contributors in order to increase the number of givers, and the fact that organizations will be relieved from the burden of solicitation from those who join the federation, will leave the organizations freer to secure contributions from non-contributors.

*Increased  
resources*

*Increased  
number of  
contributors*

The opinions of large contributors and of experts in charitable matters confirm the judgment of your committee in its plans for a federated scheme of giving.

One of the largest givers to Cleveland charity, Mr. Rockefeller, says: "We must always remember that there is not enough money for the work of human uplift and that there never can be. How vitally important it is, therefore, that the expenditure should go as far as possible and be used with the greatest intelligence.

*Opinion of  
large  
contributors  
and charitable  
experts*

"I have been frank to say that I believe in the spirit of combination and co-operation when properly and fairly conducted in the world of commercial affairs, on the principle that it helps to reduce waste; and waste is a dissipation of power. I sincerely hope and thoroughly believe that this same principle will eventually prevail in the art of giving as it does in business. It is not merely the tendency of the times developed by more exacting conditions in industry, but it should make its most effective appeal to the hearts of the people who are striving to do the most good to the largest number."

A man who may perhaps be considered the highest authority on charitable matters in this country has stated: "In a city like Cleveland, in which the Jewish charities are already successfully federated, and in which the Chamber of Commerce through its committee on benevolent associations has been virtually in control of the charitable situation for some time, I think that the federation of all further charitable activities which is now proposed is well worth trying. Looking at the matter from the national point of view there is no doubt that it would be of very great advantage to have this experiment thoroughly tried, and there are, I think, no conditions so favorable for trying it as in Cleveland."

The committee in its former report suggested a tentative scheme for organizing the federation, and the plan, with some modification, is again presented as a basis upon which the work can be initiated.

*Plan of  
organization*

The organization is to be known as the Cleveland Federation for Charity and Philanthropy, and is to be composed of a board of thirty trustees chosen in the following manner:

Ten members are to be elected by the organizations which become parties to the federation.

Ten members are to be elected by the patrons who contribute funds to the federation's support.

Ten members are to be appointed by the president of the Chamber of Commerce and approved by its board of directors.

Prior to the time when this plan is to go into effect and annually during its continuance, there shall be held a meeting of representatives of the constituent organizations, and another

meeting of the patrons. The meeting of the constituent organizations shall consist of one representative from each organization, selected in any manner approved by it, and at the first of these meetings five members of the board for one year and five for two years, are to be elected, and annually thereafter five shall be elected for two years. This shall be understood to mean that the term of the first five shall expire just previous to the beginning of the first complete fiscal year, as that date may be established, and the term of the second five shall expire at the end of the first complete fiscal year, or until their successors be elected.

The meeting of patrons is to be open to any person contributing \$10.00 or more to the federation during the year prior to the meeting. A donor may send his personal delegate but this delegate is to be free to represent one person only.

The appointments to the board by the president of the Chamber of Commerce shall be made immediately subsequent to the two elections above noted, and for the same tenure.

No person receiving compensation from any of the constituent organizations shall be eligible to membership on the federation board.

In the case of a vacancy in any of the three groups composing the board, caused by death or other reason, the other members of that group are to appoint a representative to serve with them on the board until the following election of representatives.

The federation board shall provide for the election of an executive committee and of a president, vice president and treasurer. The board shall have full authority for the collection and disbursing of the funds of the federation.

The board shall appoint and fix the salary of an executive secretary, who shall appoint and have full charge of the employes of the federation, their salaries being fixed by the executive committee.

It is recommended that any organization be considered eligible to participation in the federation which makes to the citizens of Cleveland, without restriction to religious, denominational or other special affiliation, a legitimate appeal for funds with which to further its activities.

*Proposed  
basis of  
participation*



The relation between a constituent organization and the federation will be subject to such conditions as may be from time to time agreed and established, and will at all times be subject to the right of either party to dissolve it at the end of any fiscal year of the federation.

Consultation with many persons interested in the various organizations suggests the following items of agreement between the federation and the organizations that will join it:

1. When the federation obtains from any given person an unrestricted pledge equal to his total gifts to the current expenses of the constituent institutions during the preceding year, the federation thereupon agrees to assign to each organization an amount equal to the gift as thus previously received from that person.

When the federation receives an unrestricted pledge totaling more than 10% above the aggregate thus previously given the various constituents, it agrees to divide one-half the increase pro rata among the institutions which were his beneficiaries during the year preceding the time of his gift to the federation. In case the amount is less than the total of those previously given to separate institutions, the amount shall be divided pro rata among the earlier beneficiaries.

This agreement is to continue until the end of the second fiscal year.

If the donor prefers to designate the direction of his gift, his liberty to do so is to be complete.

2. Each constituent organization is to be free to solicit donations from persons not making their gifts through the federation. When donors obtained through these efforts become federation subscribers, the arrangement above noted becomes effective.

3. Each institution is to be free—and is urged—to maintain close touch with its friends and constituents. The federation will plan to furnish to the organizations up-to-date lists of their donors, and in every other way will seek to promote the relation between the organization and the individual. A principal duty of the federation shall be to widen in every possible manner the charitable, philanthropic and social interests of the whole list of donors.

4. For the present the agreement is to involve only the ordinary current expense budgets of each institution. Each organization agrees not to solicit gifts, nor to endeavor to obtain designations, at the hands of the contributors to the federation. The need and the method by which shall be raised funds for purposes outside of current expenses are to be in each case determined by consultation between the federation and the organization concerned.

5. Tags, tickets, etc., are not to be circulated by any organization in the federation. It shall be the aim of the federation to do away with benefit bazars, fairs, entertainments and balls. For the present, each constituent organization agrees not to arrange these benefits without consulting the federation.

6. Such reports on their current activities as may be desired are to be made to the board by the constituent organizations, and their books are to be open to the audit of the board.

In making the above recommendations, the committee has in mind the launching of the federation upon as effective a career as possible. It does not assume, however, that the arrangements suggested are to be allowed to lessen the power of the federation after its organization to make such adjustments as experience shows to be desirable for its greatest service and success.

In view of the careful and extended attention already given this subject, the committee respectfully recommends to The Cleveland Chamber of Commerce that steps be taken to put the Federation Plan into operation on or before January 31st, 1913.

*Recommendations*

As a means to that end, it further recommends that the Chamber ask its president to serve with the mayor, the judge of the Probate Court, the president of the Bar Association and the president of the Academy of Medicine, this group to be asked to appoint a Provisional Federation Commission for the performance of the necessary functions of the Federation Board, pending the organization of that body.

*Immediate Initiation*

*A provisional commission*

The committee also suggests that a meeting of the Chamber of Commerce be called on January 7th, 1913, for the consideration of the plan as here proposed. At this meeting arrangements

*Meeting January Seventh*

should be made for the fullest possible discussion of the project but no enlistment of contributors should be attempted.

M. A. Marks	Albert H. Fiebach
Edgar E. Adams	Alexander Hadden
John Anisfield	P. W. Harvey
A. A. Augustus	C. A. Nicola
James Barnett*	D. Z. Norton
C. W. Bingham	R. E. Skeel
C. C. Bolton	Andrew Squire
R. M. Calfee	J. H. Wade
A. V. Cannon	J. J. Thomas
A. S. Chisholm	F. E. Wettstein
M. A. Fanning	E. M. Williams

\* The report as here submitted varies in only minor details from the report prepared by this committee in 1910. The names of the members of the committee as constituted then and now, are therefore given.









UNIVERSITY OF ILLINOIS-URBANA



3 0112 097179276